(b) Levy of inspection charges is an internal decision of the Bank and is in the nature of recovery of expenditure incurred by the bank in conducting physical inspection of borrowers' units.

(c) The Government's permission has not been sought by SBI for this decision, as it is purely an operational matter.

Increase in Income Tax Collection

†1536. SHRI KALRAJ MISHRA: Will the Minister of FINANCE be pleased to state:

(a) whether Government are aware that the Income Tax collection is not rising inspite of rise in foreign companies and employees in the country;

(b) if so, whether Government have reviewed the reasons therefor and the details thereof; and

(c) the steps being taken by Government to increase the Income Tax collection?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) The collections under Corporate Income Tax and Personal Income Tax upto 30th June, 2006 of the current financial year are 44.75% higher as compared to collections under these Heads during the corresponding period of preceding year.

(b) Does not arise in view of reply to para (a) above.

(c) Apart from legal action for recovery of tax dues as prescribed under the Income Tax Act, the government has taken the following special measures in the current year for increasing the Corporate Income Tax and Personal Income Tax:

I. Identification of cases involving substantial amount of arrears which are pending before Commissioners (Appeals) and asking the Commissioners (Appeals) concerned to dispose of such appeals so that the resultant demand can be collected during the current financial year itself.

2. Requesting ITAT Benches to dispose off high demand appeals.

---

†Original notice of the question was received in Hindi.

3. No adjournment to be sought by Departmental Representatives without prior approval of the Chief Commissioner in high demand appeals and in appeals where stay of demand has been granted.

4. Requesting the President of ITAT not to allow stay beyond 180 days as prescribed in section 254(2A) of the Income Tax Act.

5. Requesting Settlement Commission to dispose off high-demand cases expeditiously.

Control over Foreign Banks

1537. SHRI RAVULA CHANDRA SEKAR REDDY: Will the Minister of FINANCE be pleased to state:

(a) the number of foreign banks operating in the country;

(b) whether Government have any control over such banks;

(c) if so, the details thereof;

(d) the income generated by Government from such foreign banks; and

(e) the steps being taken by Government to face the competition from foreign banks?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) At present, 29 foreign banks are operating in the country through branch operations.

(b) and (c) Foreign banks are regulated and supervised by the Reserve Bank of India (RBI) in accordance with the various statutory provisions contained in the Reserve Bank of India Act, 1934, Banking Regulation Act, 1949 etc. besides various regulatory and prudential guidelines issued by it from time to time.

(d) The existing Management Information System of the Government/ RBI does not generate the information asked for.

(e) In order to meet the competition offered by foreign banks, Indian banks are upgrading their technology, implementing organizational and